



Department of Justice

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FOOD SELLER PLEADS GUILTY TO CONSPIRING TO DEFRAUD CUSTOMERS IN CONNECTION WITH KICKBACK SCHEME

WASHINGTON, D.C. -- A New York City food distributor has been charged with conspiring to defraud non-profit organizations by paying approximately \$35,000 in cash kickbacks to purchasing agents at those associations, the Justice Department announced today.

Santi "Sandy" Trimarchi of Queens, New York, chairperson of S&P Food Distributors, Ltd., pleaded guilty in U.S. District Court in Manhattan to conspiring to defraud three of his customers by paying kickbacks to employees who were responsible for purchasing food for their organizations. The victimized customers are not-for-profit social service organizations located in New York City.

The kickbacks were paid to ensure that S&P Food Distributors was allocated a portion of the total value of the contracts awarded by those customers and to permit Trimarchi to charge higher prices than he otherwise would have. Additionally, Trimarchi and an unnamed co-conspirator, who was an employee of one of the organizations, embezzled money from that non-profit by issuing purchase orders and invoices for goods that were never intended to be, nor were, delivered.

The case arose from a federal antitrust investigation of bid rigging, bribery, fraud, and tax-related offenses in the food distribution industry. This investigation has resulted in the Antitrust Division's New York Field Office charging 30 individuals and 14 food companies with

various crimes, including rigging bids for the supply and delivery of more than \$210 million of food to the New York City Board of Education. Some of those defendants were also charged with participating in bid-rigging conspiracies victimizing the New York City hospitals and jails, the Newark Public Schools and the Nassau County Department of General Services.

"Today's conviction is the latest in the Antitrust Division's crackdown on anticompetitive and other illegal practices in the food distribution industry," said John M. Nannes, Acting Assistant Attorney General in charge of the Department's Antitrust Division.

The charge against Trimarchi, a violation of 18 U.S.C. § 371, carries a maximum penalty of five years imprisonment and a \$250,000 fine. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victim of the crime, if either of those amounts is greater than the statutory maximum fine. The court will determine the appropriate sentence under the U.S. Sentencing Guidelines. In addition, Trimarchi could be ordered to pay restitution to the victims for the amount of their loss.

The ongoing investigation is being conducted by the Antitrust Division's New York Field Office, with the assistance of the Federal Bureau of Investigation and Internal Revenue Service Criminal Investigation.

Anyone with information concerning bid rigging, bribery, tax offenses, or fraud in the food distribution industry or concerning bid rigging on any government contract should contact the New York Field Office of the Antitrust Division at (212) 264-0679 or the New York Division of the FBI at (212) 384-3252.

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